



Watershed Management Commission

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June 27, 2023

City Clerks
Member Cities

via email

Shingle Creek Watershed Management Commission
Hennepin County, Minnesota

RE: Shingle Creek Watershed Management Commission
2024 Operating Budget and Member Assessments

At its May 11, 2023, meeting, the Shingle Creek Watershed Management Commission adopted its operating budget for calendar year 2024. The budget is in the amount of \$405,000 and can be viewed in Table 1 on the next page of this letter. The 2024 budget continues the same activities at the same level of effort as in 2023. Table 2 describes the line items in more detail.

The budget is separated into operating and project budgets. The operating budget revenue source is primarily city assessments and funds the Commission's core activities. The Commission also serves as the fiscal agent for the West Metro Water Alliance (WMWA), a consortium of four watersheds that jointly provide education and outreach in western Hennepin County. The Commission's share of that expense is shown on line 24 of the operating budget.

Projects and studies are funded through a variety of grants and other sources, most of which do not proceed on an annual fiscal year basis. Tracking these budgets separately provides more clarity as to the activities the cities are funding directly from their annual budgets.

The 2024 assessments to the member cities are shown in Table 3. The 2024 budget assumes an assessment of \$370,000, identical to the 2023 assessment and well below the current inflation rate. Under the JPA assessment cap, the Commission could have increased the annual assessments to cities over the years by 64.3% over the baseline year of 2004. However, the total assessment increase has been only 40.8%, which shows that the Commission has been careful to steward the cities' resources over the years.

Article VIII, Subd. 4 of the Joint Powers Agreement (JPA) establishing the Commission provides that a member city may object to the budget by giving written notice to the Commission before August 1, 2023. If any objections are received, the Commission will hear the objections at its August 10, 2023, meeting and may modify the budget.

The Shingle Creek Watershed Management Commission requests approval of its 2024 Operating Budget. Your support in continuing the important work of the Commission is greatly appreciated. Questions may be directed to this office or to your representative.

Sincerely,

Judie A. Anderson
Administrator
JAA:tim

Cc via email: Commissioners
TAC Members
Commission Staff

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Table 1. Shingle Creek WMC 2024 Operating Budget.

| | | 2022 Budget | 2023 Budget | Approved 2024 |
|--------------------------------|-------------------------------------|------------------|------------------|------------------|
| REVENUE | | | | |
| 1 | Application Fees | \$20,000 | \$15,000 | \$15,000 |
| 2 | Member Assessments | 363,590 | 370,000 | 370,000 |
| 3 | Interest | 5,000 | 250 | 20,000 |
| TOTAL REVENUE | | \$388,590 | \$385,250 | \$405,000 |
| EXPENSES | | | | |
| ADMINISTRATION | | | | |
| 4 | Administrative Services | \$71,000 | \$70,000 | \$70,000 |
| 5 | Engineering Support | 17,000 | 15,000 | 15,000 |
| 6 | Project Reviews/WCA | 1,500 | 1,500 | 1,500 |
| Subtotal | | \$89,500 | \$86,500 | \$86,500 |
| ENGINEERING | | | | |
| 7 | Engineering Services | 75,000 | 77,000 | 80,000 |
| 8 | Grant Application Writing | 12,000 | 11,000 | 12,000 |
| 9 | Project Reviews/WCA | 43,000 | 30,000 | 35,000 |
| 10 | TMDL 5 Year Reviews | 5,000 | 5,000 | 5,000 |
| Subtotal | | \$135,000 | \$123,000 | \$132,000 |
| LEGAL | | | | |
| 11 | Legal Services | 5,500 | 6,000 | 6,000 |
| Subtotal | | \$5,500 | \$6,000 | 6,000 |
| MISCELLANEOUS | | | | |
| 12 | Bookkeeping | 8,000 | 8,000 | 8,000 |
| 13 | Audit | 6,500 | 7,500 | 7,500 |
| 14 | Insurance & Bonding | 3,200 | 3,200 | 3,200 |
| 15 | Meeting Expense | 5,000 | 5,000 | 6,000 |
| Subtotal | | \$22,700 | \$23,700 | \$24,700 |
| PROGRAMS | | | | |
| <i>Monitoring</i> | | | | |
| 16 | Stream Monitoring | 35,000 | 34,000 | 36,000 |
| 17 | Stream Monitoring-USGS | 4,200 | 4,200 | 4,200 |
| 18 | Commission Lake Monitoring | 28,000 | 28,000 | 30,000 |
| 19 | Citizen Assisted Lake Monitoring | 4,800 | 5,200 | 5,000 |
| 20 | Vol Wetland Monitoring | 2,000 | 0 | 0 |
| 21 | Vol Stream Monitoring | 1,000 | 2,000 | 2,000 |
| 22 | Annual Monitoring Report | 16,000 | 17,500 | 16,500 |
| Subtotal | | \$91,000 | \$90,900 | \$93,700 |
| <i>Education</i> | | | | |
| 23 | Education Program | 16,500 | 17,000 | 24,000 |
| 24 | WMWA SC Share | 11,500 | 11,500 | 11,500 |
| Subtotal | | \$28,000 | \$28,500 | \$35,500 |
| MANAGEMENT PLAN | | | | |
| 25 | Plan Amendments | 1,000 | 0 | 1,000 |
| 26 | Subwatershed BMP Assessment | 0 | 5,000 | 0 |
| Subtotal | | \$1,000 | \$5,000 | \$1,000 |
| PROJECTS | | | | |
| 27 | Contribution to 5th Generation Plan | 0 | 0 | 0 |
| 28 | To/(From) Reserves | 15,890 | 21,650 | 25,600 |
| Subtotal | | \$15,890 | \$21,650 | \$25,600 |
| TOTAL OPERATING EXPENSE | | \$443,590 | \$388,590 | \$405,000 |

With a few notable exceptions the proposed budget shown in Table 1 generally continues the same activities at the same level of effort as 2023. Each line item is explained in the 2024 Budget Explanation on page 5. Table 2 shows the proposed member assessments by city. Figure 1 shows the proposed 2024 expenditures by category. A few lines require more explanation:

Interest (line 3). The Commission has a significant balance in its 4M account of levy and grant proceeds, waiting for reimbursement requests from cities. As inflation has increased in the last 12-18 months, interest rates have also increased, leading to the windfall of interest in 2022. Earnings in 2023 are also on the same pace. However, the 2024 budget assumes that fund balance will decrease in the near future as projects are completed and paid out.

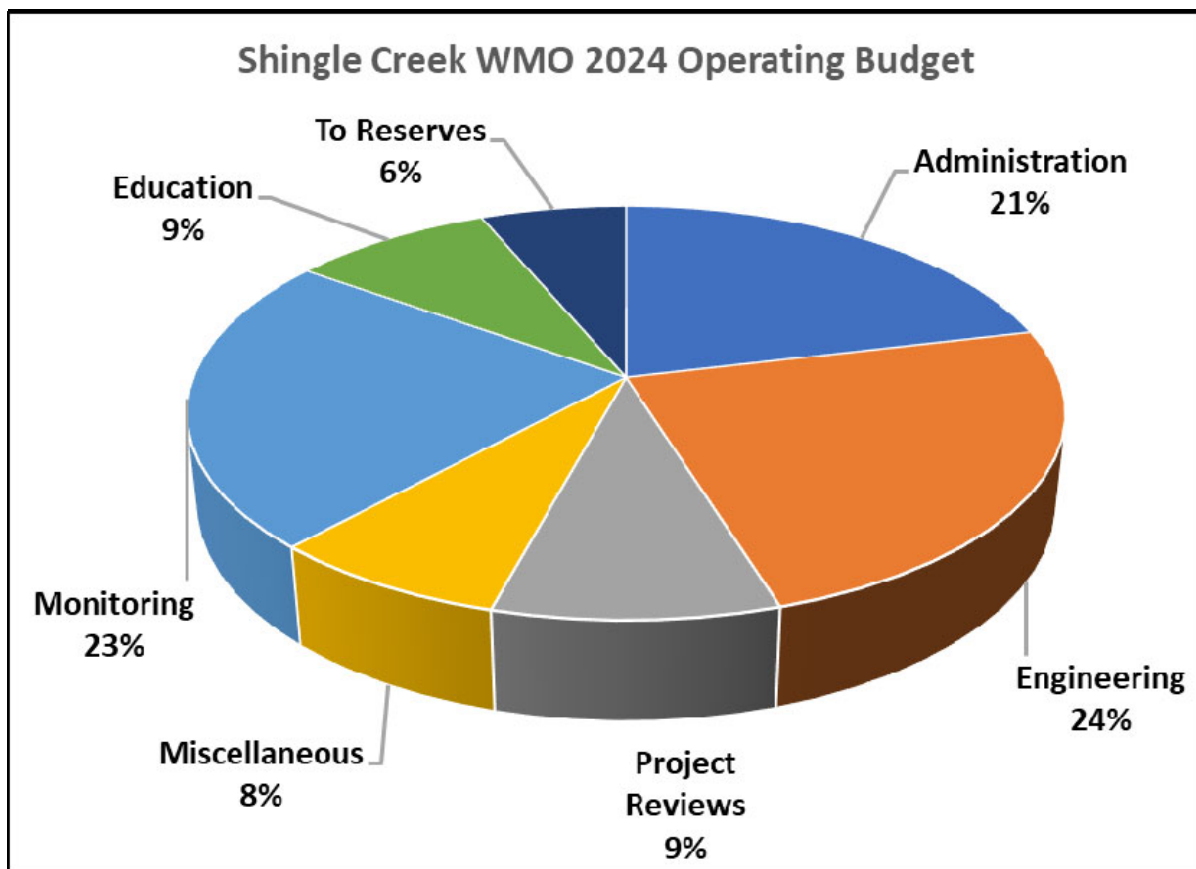


Figure 1: Proposed Shingle Creek 2024 operating budget by category.
 Note: "Miscellaneous" includes legal, bookkeeping, insurance, audit, and meeting costs.

Meeting Expense (line 15). The new meeting location at the Plymouth Community Center charges a monthly room rental which, together with the lunch cost, are the primary meeting expenses. This cost is split between Shingle Creek at 70% and West Mississippi at 30%. The budget assumes that in 2024 the Commission will continue to meet in-person.

Stream and Lake Monitoring (lines 16-18). Lake monitoring has expanded to include fish surveys and zoo- and phytoplankton. As we move to a balanced lake ecology focus, these other parameters become important diagnostic



tools in determining overall lake health, rather than just focusing on total phosphorus concentration. Stream monitoring includes two dissolved oxygen longitudinal studies.

Education Program (line 23). The Fourth Generation Plan placed a renewed emphasis on education and outreach, especially in two areas: outreach to underserved communities and education regarding chloride management. The Commission increased its 2024 budget to take on these new activities.

Table 2. 2024 member city assessments compared to previous years.

| 2022 Community | Acreage | 2021 Tax Capacity | Cost Allocation Based on Area | | Cost Based on Tax Capacity | | Total Cost | |
|-------------------|---------------|----------------------|----------------------------------|----------------|-------------------------------|----------------|-------------|----------------|
| | | | %age | Dollars | %age | Dollars | %age | Dollars |
| Brooklyn Center | 3,720 | 20,453,640 | 13.07% | 23,762 | 10.58% | 19,230 | 11.82% | 42,993 |
| Brooklyn Park | 7,080 | 44,158,668 | 24.88% | 45,225 | 22.84% | 41,518 | 23.86% | 86,743 |
| Crystal | 2,480 | 14,200,096 | 8.71% | 15,842 | 7.34% | 13,351 | 8.03% | 29,192 |
| Maple Grove | 5,020 | 38,788,473 | 17.64% | 32,066 | 20.06% | 36,469 | 18.85% | 68,535 |
| Minneapolis | 1,950 | 13,204,556 | 6.85% | 12,456 | 6.83% | 12,415 | 6.84% | 24,871 |
| New Hope | 2,070 | 17,617,989 | 7.27% | 13,223 | 9.11% | 16,564 | 8.19% | 29,787 |
| Osseo | 300 | 2,345,474 | 1.05% | 1,916 | 1.21% | 2,205 | 1.13% | 4,121 |
| Plymouth | 4,380 | 31,478,480 | 15.39% | 27,978 | 16.28% | 29,596 | 15.83% | 57,574 |
| Robbinsdale | 1,460 | 11,112,638 | 5.13% | 9,326 | 5.75% | 10,448 | 5.44% | 19,774 |
| Total | 28,460 | 193,360,014 | 100% | 181,795 | 100% | 181,795 | 100% | 363,590 |
| 2023 Community | Acreage | 2022 Tax Capacity | Cost Allocation Based on Area | | Cost Based on Tax Capacity | | Total Cost | |
| | | | %age | Dollars | %age | Dollars | %age | Dollars |
| Brooklyn Center | 3,720 | 24,644,155 | 13.07% | 24,181 | 10.46% | 19,344 | 11.76% | 43,525 |
| Brooklyn Park | 7,080 | 53,297,576 | 24.88% | 46,022 | 22.61% | 41,835 | 23.75% | 87,857 |
| Crystal | 2,480 | 17,648,187 | 8.71% | 16,121 | 7.49% | 13,853 | 8.10% | 29,973 |
| Maple Grove | 5,020 | 47,582,121 | 17.64% | 32,632 | 20.19% | 37,349 | 18.91% | 69,980 |
| Minneapolis | 1,950 | 15,730,473 | 6.85% | 12,676 | 6.67% | 12,347 | 6.76% | 25,023 |
| New Hope | 2,070 | 21,261,174 | 7.27% | 13,456 | 9.02% | 16,688 | 8.15% | 30,144 |
| Osseo | 300 | 2,799,609 | 1.05% | 1,950 | 1.19% | 2,197 | 1.12% | 4,148 |
| Plymouth | 4,380 | 38,250,294 | 15.39% | 28,472 | 16.23% | 30,024 | 15.81% | 58,495 |
| Robbinsdale | 1,460 | 14,476,873 | 5.13% | 9,491 | 6.14% | 11,363 | 5.64% | 20,854 |
| Total | 28,460 | 235,690,462 | 100% | 185,000 | 100% | 185,000 | 100% | 370,000 |
| 2024 Community | Acreage | 2023 Tax Capacity | Cost Allocation Based on Area | | Cost Based on Tax Capacity | | Total Cost | |
| | | | %age | Dollars | %age | Dollars | %age | Dollars |
| Brooklyn Center | 3,720 | 25,567,389 | 13% | 24,181 | 10% | 18,689 | 12% | 42,871 |
| Brooklyn Park | 7,080 | 56,705,102 | 25% | 46,022 | 22% | 41,451 | 24% | 87,473 |
| Crystal* | 2,480 | 18,739,269 | 9% | 16,121 | 7% | 13,698 | 8% | 29,819 |
| Maple Grove* | 5,020 | 53,080,785 | 18% | 32,632 | 21% | 38,801 | 19% | 71,433 |
| Minneapolis | 1,950 | 16,419,161 | 7% | 12,676 | 6% | 12,002 | 7% | 24,678 |
| New Hope | 2,070 | 22,759,451 | 7% | 13,456 | 9% | 16,637 | 8% | 30,093 |
| Osseo | 300 | 3,099,165 | 1% | 1,950 | 1% | 2,265 | 1% | 4,216 |
| Plymouth* | 4,380 | 41,524,951 | 15% | 28,472 | 16% | 30,354 | 16% | 58,826 |
| Robbinsdale | 1,460 | 15,187,729 | 5% | 9,491 | 6% | 11,102 | 6% | 20,593 |
| Total | 28,460 | 253,083,002 | 100% | 185,000 | 100% | 185,000 | 100% | 370,000 |

*Includes WS 0: parcels with no assigned watershed



2024 Budget Explanation

Revenue (see Table 1)

| Line | Explanation |
|------|--|
| 1 | The application fee structure is intended to recover the cost of completing current project reviews. While the fees do not fully fund that activity, they are set and periodically reviewed and adjusted to recover most of the cost. It is difficult to predict and budget for project review revenues and fees because it varies based on the economy. |
| 2 | Annual assessments to the member cities to pay the operating expenses of the Commission. Assessments are apportioned 50 percent based on land area within the watershed and 50 percent based on tax capacity of land within the watershed. No increase is proposed for the 2024 assessments. |
| 3 | The Commission earns interest on its fund balance, which is held in the secure 4M Fund managed by the League of Minnesota Cities. Earnings depend on the interest rate and the fund balance, which varies throughout the year, e.g. city assessments are received early in the year and then expended throughout the year, and levy and grant funds are received and held until project work is complete and the participating cities request reimbursement. |

Expenditures (see Table 1)

| Line | Explanation |
|-------|--|
| 4-6 | These line items are to provide administrative support (scheduling, minutes, etc.) for regular Commission and TAC meetings and any Commission, TAC, or other meetings that require support, as well as general administrative duties such as notices, mailings, and correspondence. The Engineer continues to request the administrator to take on tasks that she can perform more cost effectively. |
| 7-8 | These line items include general engineering support, including preparation for and attendance at Commission and TAC meetings, general technical and engineering assistance, minor special projects, writing and administering grants, etc. There has been an increasing amount of work including more frequent TAC meetings, more technical assistance to the member cities, managing the CIP process, etc., so this line item is proposed for increase. technical and engineering assistance, minor special projects, writing and administering grants, etc. |
| 9 | The Commission conducts reviews of development projects; Local Water Management Plans and Comprehensive Plan amendments and updates; environmental assessments; large projects such as the Blue Line Extension and general inquiries about past and upcoming projects. It is difficult to predict what the expense for a coming year will be, as it is based on the number of project reviews, inquiries, etc. received. |
| 11-15 | Legal: general counsel: preparing for and attending meetings, drafting policies and variances, reviewing contracts and agreements. Misc: annual audit, bookkeeping services, insurance and bonding, and meeting expenses. |
| 16-17 | The Commission's routine stream monitoring program. Flow and water quality are monitored at two sites– SC-0 at Webber Park in Minneapolis and SC-3 at Brooklyn Boulevard in Brooklyn Park, and one site on Bass Creek – BC-1 in Bass Creek Park in Brooklyn Park. This also includes the Commission's share of operating the USGS real-time monitoring site at Queen Avenue in Minneapolis. |
| 18 | This line item is the routine lake water quality monitoring and aquatic vegetation surveys as set forth in the Fourth Generation Monitoring. |
| 19-21 | Volunteer monitoring. Lake monitoring is through Met Council's Citizen Assisted Monitoring Program (CAMP), and the stream macroinvertebrate monitoring is coordinated by Hennepin County Environmental Services. The lake monitoring cycle is set forth in the Management Plan. The stream monitoring program is being reconfigured and we hope to sponsor two sites in 2024. |
| 22 | The annual water quality report, which provides a record of all the monitoring results for the year as well as analysis of water quality trends and an overview of progress toward the TMDLs. West Mississippi also budgets funds for this report. |
| 23 | General public information and NPDES education program: develop and coordinate messages with cities; prepare materials for distribution by member cities; work with lake associations; work with Watershed Partners; coordinate with the West Metro Water Alliance (WMWA) (with West Mississippi, Bassett, and Elm WMOs); work with area schools; maintain Web site. The cost of the Education program is split 50/50 with West Mississippi. |

Budget Background

INCOME

- Assessments: annual assessments to the member cities to pay the operating expenses of the Commission. Assessments are apportioned 50 percent based on land area within the watershed and 50 percent based on tax capacity of land within the watershed.

EXPENSES

OPERATIONS: All activities **mandated** by statute or state administrative rule except where noted.

Administration

- Administrative Services: clerical and office support duties on behalf of the Commission, such as preparing for and attending meetings, preparing minutes and agendas, correspondence, mailings, official records, official publications, annual reporting, preparing budget.
- TAC/Engineering Support: correspondence, official publications, attendance and minutes at TAC and other special meetings, and other support regarding engineering activities.
- Project Reviews/WCA: correspondence and other support regarding project reviews and Wetland Conservation Act actions.

Engineering

- Engineering Services: technical and administrative duties on behalf of the Commission, such as: investigation and resolution of drainage, flood control, bank stabilization, erosion and water quality problems; research; preparing for and attending meetings; correspondence; responding to inquiries; annual reporting; preparing budget.
- Grant Application Writing: researching and writing grant applications to supplement Commission funds, preparing work plans and contracts for awarded grants. The Commission started funding grant applications in 2003 and has received grants totaling just over \$4.3 million from various sources. **Not mandated.**
- Project Reviews/WCA: reviewing projects and wetland replacement plans for conformance with Commission and WCA requirements; reviewing local plans and comprehensive plan amendments; consultation on upcoming projects; reviewing environmental assessments.
- TMDL 5 Year Reviews/CIP Engineering: technical assistance to the Commission and cities in the ongoing implementation of TMDLs and projects and completion of TMDL Five Year Reviews. Each Five Year Review is published as a stand-alone report. **Not mandated.**

Legal

- Legal Services: general counsel, preparing for and attending meetings, drafting policies and variances, drafting and reviewing contracts and agreements.

Miscellaneous

- Miscellaneous: annual audit, bookkeeping services, insurance and bonding, and meeting expenses.

MONITORING AND INFORMATION GATHERING: State administrative rules **mandate** monitoring programs that are “...capable of producing accurate data to the extent necessary to determine whether water quantity and quality goals are being achieved” but *do not specify* what those programs should entail. The Commission lake, stream, and biomonitoring are in accordance with the ongoing monitoring committed to by the Commission in the lake and stream TMDL Implementation Plans.

- *Commission Stream Monitoring*: Field data collection, equipment maintenance, sample lab analysis, and data analysis for flow monitoring and water quality sampling at three sites (SC-0 Webber Park, SC-3 Brooklyn Boulevard, and BCP Bass Creek Park).
- *Stream Monitoring-USGS*: The Commission’s share of the cost of operating the USGS site at Queen Avenue (SC-1). Real-time data can be found at waterdata.usgs.gov/mn/nwis/uv?05288705.
- *Commission Stream Biomonitoring*: The Commission periodically performs fish and macroinvertebrate sampling at the water quality monitoring stations.
- *Commission Lake Monitoring*: Bimonthly water column water quality monitoring, aquatic vegetation surveys, and sediment core sampling (where necessary) to obtain a more robust assessment of lake water quality and biotic health.
- *Citizen Assisted Lake Monitoring Program (CAMP)*: In partnership with the Metropolitan Council, volunteers are trained to take lake water samples and make observations. Met Council provides sample analyses and data compilation. The Commission provides equipment, training, and sample collection. Lakes are monitored on a rotating schedule set forth in the Third Gen Plan.
- *Volunteer Wetland Monitoring*: In partnership with Hennepin County Environment and Energy. Adults are trained to monitor and sample wetlands for plants and macroinvertebrates and to classify the sampled organisms and plants as an indicator of wetland health. Two to three sites are monitored each year.



- *Volunteer Stream Monitoring:* In partnership with Hennepin County Environment and Energy, high school and college students are trained to sample streambeds for macroinvertebrates and to classify the sampled organisms as an indicator of stream health. Various sites on Shingle Creek.
- *Annual Monitoring Report:* Information gathered through the various monitoring programs is presented and interpreted in an Annual Water Quality Report. This report also includes an analysis of water quality trends.

EDUCATION AND PUBLIC OUTREACH: A public information program is **mandated** by state administrative rules. The Commission also provides at the member cities' request NPDES Phase II education and public outreach programs **mandated** by the federal and state governments.

- *Education:* General public information and NPDES education program: target one or two messages per year; coordinate messages with cities; prepare materials for distribution by member cities; work with lake associations; Great Shingle Creek Watershed Cleanup; work with Watershed Partners; coordinate Education and Public Outreach Committee (EPOC); coordinate with West Metro Water Alliance (WMWA) (with West Mississippi, Bassett, and Elm Creek WMOs); work with area schools; maintain Web site.
- *Education Grants:* Financial assistance for activities such as classes or programs to improve water quality education; curriculum and educational materials for use in the classroom; expenses for field trips or fieldwork related to water quality education; implementation projects that include an education component.

MANAGEMENT PLANS: The Commission is **mandated** by state statute and administrative rule to pursue an Implementation Program that consists of nonstructural, structural, and programmatic solutions to problems, issues, and management goals.

- *Plan Amendments:* Management Plans have been completed for water resources in the watershed, including approved TMDLs for each Impaired Water. Each year the Commission reviews the Capital Improvement program (CIP), and if necessary modifies it through a major or minor plan amendment.
- *Subwatershed BMP Assessments:* These analyses evaluate and model smaller subwatersheds for possible small Best Management Practice implementation, including rain gardens, bioinfiltration and filtration basins, pond expansions and iron-enhanced filter retrofits, pervious pavement, tree trenches, capture and reuse, and other practices. Such assessments have been completed in several areas within the watershed.

CONSTRUCTION/MATCHING GRANT FUND: A capital contribution towards a fund to be used to match grants or for high-priority projects as designated by the Commission. **Not mandated.**

CONTRIBUTION TO 5TH GENERATION MANAGEMENT PLAN: The Commissions are required by statute to update their plans at least every ten years. The Commissions will begin to accumulate funds in a dedicated account to pay for this plan, expected in 2032. **Not mandated.**

*Total Maximum Daily Load - A TMDL or Total Maximum Daily Load is a calculation of the maximum amount of a pollutant that a waterbody can receive and still meet water quality standards, and an allocation of that amount to the pollutant's sources.